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NEAR EAST/AFRICA DIVISION
OFFICE OF REPORTS AND ESTIMATES
CENTRAL INTELLIGENCE AGENCY

WORKING PAPER

APR 19 1950

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NEAR EAST/AFRICA DIVISION

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INTELLIGENCE SUMMARY

For Week ending
19 April 1950

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NEAR EAST/AFRICA INTELLIGENCE SUMMARY

GREECE

The Plastiras solution: The replacement of the minority Venizelos Cabinet by a three-party coalition under General Plastiras has at least cleared away the most immediate sources of instability and ineffectiveness in the Greek Government. In finally deciding to join the other center parties in a Plastiras government--a decision made under considerable pressure [REDACTED] from within his own party--Venizelos opened the way for the emergence of a cabinet which not only will have a small parliamentary majority in its own right but is also generally regarded as the combination best representing the verdict returned by the Greek people in last month's elections. Apparently assured of surviving at least its initial parliamentary tests, the new government is in a position to make a real attempt to carry out the economic reforms associated with the US aid program. In addition, it will be able to seek a further normalization of political life through such measures as the early scheduling of local elections, governmental decentralization, and the broadening of present amnesty arrangements for former adherents of the extreme left.

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The continued stability of the government, however, is less certain. Within the coalition, Venizelos' attempt to assume the role of premier himself has undoubtedly laid the basis for future dissension, while the somewhat headstrong Plastiras may find it difficult to remain in agreement with his more moderate colleagues under the day-to-day stresses of running the government. Outside the cabinet, the Palace and right-wing politicians are still strongly opposed to Plastiras as premier and will take every opportunity to undermine him. At the same time, the deputies of the far left, who now appear willing to go along with Plastiras, will probably soon break with him over the difficult amnesty and wage-freeze issues. Although other temporary government combinations might be tried should the Plastiras solution fail, none are likely to survive long and new national elections would probably soon become necessary to break the stalemate.

TURKEY

The new bashi-bazouks: The peculiarly conglomerate association of Turkish individuals who have joined forces and are about to stand for election under the Nation Party label

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have little chance of running better than third in next month's elections. The party is not yet well organized and suffers from ill-balanced leadership, conflicting purposes, and inadequately defined programs. The motley group may be described as the new-style civilian irregulars (political, not military), though they have not yet acquired the awe-inspiring reputation of the famous, but long extinct, Turkish bashi bazouks.

The Nation Party (NP) was founded by Hikmet Bayur, a politician who has not held public office for some years and who was apparently inspired to start the party as a channel for expressing his dislike of President Inönü. A few other men also hostile to Inönü joined him, and the party gained parliamentary representation when certain members of the larger opposition group (the Democratic Party) broke away and joined the NP. Bayur's group obtained some prestige by persuading the late Marshal Çakmak, a greatly respected national figure, to accept the title of honorary president of the NP. The party's chances at next month's elections suffered a heavy blow upon the death of the old marshal last week. Strong efforts have been made to keep the marshal's name before the public, however, through arranging public appearances for a retired air force general, Şefik Çakmak,

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The NP appears now to be inspired as much by dislike of the DP leaders as of Inönü and the ruling government party. There seems to be little that is positive about NP aims and proposed methods--other than to get one group of "rascals" out of power and keep another from replacing it. The NP has dutifully observed formalities in supporting Turkey's present foreign policy--it would get short shrift from the Turkish public if it did not--but a certain hostility in the attitude of some party spokesmen toward the West has sometimes been discernible. Basically an "anti" group, the NP contains assorted elements which probably would quickly disagree with one another if the party should ever come into power. Some members appear to be religious reactionaries who seek to gain votes from the more faithful Moslems; others, who may be regarded as progressives, advocate the strengthening of private enterprise in Turkey. Some speak of the need for continued, orderly democratic evolution; others--like the brazen-voiced deputy Sadik Aldogan--call for faster, more violent action. The party

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may win a few seats here and there--particularly in heavily populated Istanbul Province, for example--but it will almost certainly run a poor third to the two stronger parties.

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IRAN

Financing re-employment: There are indications that unemployment in Iran may reach critical proportions within a few weeks unless the government can obtain additional funds for emergency measures. While the government made limited efforts throughout the winter to care for the needy by offering work on public projects, distributing wheat, and extending doles, unemployment has persisted as the country's number one problem. Destitute peasants from the provinces continue to migrate to the cities, where severe industrial unemployment has existed for some months. Some 20,000 jobless are concentrated at the single town of Karaj, outside Tehran, and though they have confined themselves to peaceful demonstrations in their attempts to get help from the central government, actual rioting has taken place in several cities in northwestern Iran. The USSR is making strong propaganda efforts to exploit the situation, and Iranian sources suggest that Soviet or Tudeh agents are encouraging the movement of the peasants into the cities. While many peasants will probably return to the land when summer comes and others will be given public works jobs, more frequent and more violent demonstrations among the unemployed may take place unless the government meanwhile takes more effective measures than it has in the past.

In outlining his program to the Majlis last week, Prime Minister Ali Mansur stated that immediate steps would be taken to provide additional jobs in the construction of roads and railroads, on which about 14,000 needy have already been given work. It is questionable, however, whether the government can provide emergency help on a large-scale basis without making serious inroads into funds earmarked for the Seven Year Plan. Iran's 1949-50 budget is reportedly one billion rials (approximately 11 million pounds sterling) in the red. The government has already borrowed 2,300,000 pounds sterling from the Seven Year Plan Organization to pay normal salaries and finance current relief projects, and it may be compelled to borrow further from the present remaining sterling balances of the Plan for emergency relief purposes. The Shah is meanwhile attempting to obtain an advance of six million pounds sterling on oil royalties from the AIOC. The use of these funds at this time would also affect the Seven Year Plan, however, since oil royalties were intended to furnish much of the plan's future capital needs.

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NOTED IN BRIEF

The Greek trade union movement is currently the subject of intense organizational activity by left-wing political groups. While the top leadership remains in the hands of an extremely conservative group, there has been a noticeable trend toward the left on the lower levels. (The labor vote was apparently responsible for the recent electoral victories of Plastiras and the extreme left Democratic Front in Athens and Salonika.) Communist efforts to form a "United Syndicalist Movement," however, are reportedly getting little cooperation from the parliamentary left-wing Democratic Front, which is independently trying to expand its own labor following. While it is still uncertain how great an inroad the leftists can make on rightist control of the unions, the unions may in any case be used as a means of pressure against the Plastiras Government. Long existent labor unrest will not be easily curbed by the wage-price freeze necessary to the US aid program, and unless the Plastiras Cabinet can show early progress toward improving the general standard of living, strikes may well assume serious proportions.

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The Turkish Communist poet, Nazim Hikmet, who went on a hunger-strike in an effort to gain release from prison, has reportedly been hospitalized and presumably is now receiving nourishment. His death might have caused the government some embarrassment because of a fairly widespread belief that he was sent to prison unjustly some twelve years ago. Nazim Hikmet would probably have been released under the terms of an amnesty bill which failed of passage and was sent back for further study in committee just before the national assembly was dissolved last month. The new assembly will convene on 24 May, and not long thereafter may consider the bill. The form in which it is likely to pass is expected to permit liberation of the incarcerated poet.

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The recent resignation of Sirry Pasha as Chief of Egypt's Royal Cabinet cannot but further the gradual decline which has been taking place in Palace-Wafdist relations. Even though the former independent Premier may have been eased out because of purely personal differences with the king, his departure removes a strong influence against a resurgence of the bitterness which has existed in the past between King Farouk and Prime Minister Nahas Pasha, the Wafdist Party leader.

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The Egyptian Government's current concern over Communism was demonstrated last week by the holding of a special press conference at which Minister of Interior Fuad Seraggedin announced that a new anti-Communist Department is being created within his ministry. Recently there have been a number of police raids against reportedly Communist cells in and around Cairo.

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The French Government has forbidden a US oil company to construct a bulk petroleum storage installation at Douala, French Cameroons, saying that only the semi-nationalized Compagnie Française des Pétroles will be authorized to build such a facility. Coming as the climax to a long period of delaying tactics, not only in the Cameroons but in Madagascar, Dahomey, and the Ivory Coast as well, this appears to be a major blow in the battle to obtain a place for the French in a market long dominated by US interests. The measure will presumably be fought by the US companies involved on the grounds

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that in the Cameroons, a Trusteeship territory, all UN members have equal commercial rights.

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The trade balance of the Union of South Africa has improved so greatly in recent months that the Minister of Economic Affairs has informed Parliament of plans to permit the free import, subject to a ceiling price, of cotton and woollen piece goods from the sterling area. This action is in keeping with the policy of gradually relaxing import controls against the sterling area in view of the improved balance of payments position. The trend of improvement became readily apparent in the months of January and February 1950, when the Union had a favorable trade balance (including gold) for the first time since the war, in contrast to a large deficit in the comparable months of 1949. Improvement in the trade picture after mid-1949, stimulated by devaluation, was characterized by decreased imports and increased exports. Import restrictions eliminated most non-essential goods, resulting, for example, in reducing imports from the US to one-half of the previous year's total. Favorable world conditions and government policy helped increase exports, as in the case of manganese, exports of which were doubled over the previous year. This trend, in evidence since late 1949, is expected to continue through 1950.